

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6587

BILL NUMBER: HB 1221

NOTE PREPARED: Dec 15, 2003

BILL AMENDED:

SUBJECT: Insurance Coverage for Infertility.

FIRST AUTHOR: Rep. Young D

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the state, a health insurer, and a health maintenance organization must provide coverage for the diagnosis and treatment of infertility.

Effective Date: July 1, 2004.

Explanation of State Expenditures: This bill requires group health insurance policies and HMO plans to provide coverage for the diagnosis and treatment of infertility. As of August 2003, the state employed approximately 37,316 people with six insurance providers. For 2004, four insurance providers (M-Plan, Arnett, Advantage, and Anthem) will provide health insurance coverage. Additional costs for state employees are estimated at between \$3 to \$6 per member per month. Applying these estimates, increased costs would range from \$1.3 M to \$2.7 M. However, these increases may not necessarily imply additional budgetary outlays since the state's response to increased health benefit costs may include (1) greater employee cost sharing in health benefits; (2) reduction or elimination of health benefits; and (3) passing costs onto workers in the form of lower wage increases than would otherwise occur. It is unknown at this time if the state would absorb added costs or pass the costs on to employees.

Explanation of State Revenues:

Explanation of Local Expenditures: Local government groups enrolled in the Local Unit Government Employees (LUGE) health plan may experience increased costs. LUGE participants have the same benefits as state employees, but are part of a separate risk pool. Currently, 28 local government groups are enrolled in the plan, providing coverage for 868 employees.

In addition, school corporations and local governments purchasing health benefit coverage on their own could incur increased premiums. The specific impact is indeterminable, but would depend on current health care coverage. It is unknown if local units would absorb this cost or pass the cost on to employees, as cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: Local Governments and School Corporations.

Information Sources: Debra Webb, Department of Personnel, 232-3062.

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